

August 27th, 2013

A National Network for Consistency and Integrity in Water Quality Trading

Vision for a National Network

To improve the consistency, integrity, and environmental performance of water quality trading through shared principles, core program elements, and best practices.

Consistency in water quality trading

Environmental markets for water quality trading continue to emerge across the country as permittees seek cost-effective compliance alternatives. While programs are still working towards a greater volume of successful transactions, considerable understanding around how these programs should be designed and operated has developed over the past 10 years. Successful water quality trading programs maintain transparency in their methods, ensure real and verifiable pollutant reductions, track and verify projects and credits throughout their lifecycle, rely on sound science, and establish clear lines of responsibility. Following on the lessons of other environmental markets (carbon, species, and wetlands), and looking at new legal and political challenges, there is a need to identify shared principles, core program elements, and best practices to ensure integrity and consistency in water quality trading.

Sharing principles and practices for water quality trading program design, implementation, and long-term operation can help disseminate lessons-learned, drive consistency and connection between programs, and improve on the success of existing and emerging trading programs. This can help create consistency and establish high expectations across programs, which may help address the concerns of critics, discourage litigation, and build confidence for robust regulatory compliance applications.

A Network to Share Best Practices

Groups across the country have recognized the need to increase the integrity and consistency in water quality trading and to expand the dialogue to include additional stakeholders such as agriculture, wastewater utilities, state regulators and environmental groups. Further, a network can consolidate existing work and tools, which new programs can access for rapid progress and reduced start-up costs. No single organization can create all these connections and bring consistency to the numerous ongoing efforts, but a network can. We envision a National Network organized as a collaborative dialogue between water quality experts, program administrators, industry leaders, state and federal agencies, and other stakeholders.

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To improve the consistency, integrity, and environmental performance of water quality trading, the Network shall:

- Articulate shared principles for excellence in water quality trading;
- Outline core program elements and best practices; and
- Solicit feedback of broader stakeholder groups.

Network Partners

The follow organizations are formally participating in this network:

- American Farmland Trust (AFT)
- Electric Power Research Institute (EPRI)
- Environmental Defense Fund (EDF)
- Hunton & Williams LLP
- Kieser & Associates
- National Association of Conservation Districts (NACD)
- The Freshwater Trust (TFT)
- US Department of Agriculture - Natural Resources and Environment (US NRE)
- US Department of Agriculture - Natural Resources Conservation Service (USDA NRCS)
- US Department of Agriculture Office of Environmental Markets (USDA OEM)
- US Water Alliance (USWA)
- Willamette Partnership (WP)
- World Resources Institute (WRI)

Deliverables

The Network will publish a “Summary of Principles and Practices” detailing guiding principles and best practices for designing, implementing and maintaining a water quality trading program. These principles will cover core program elements and will reflect lessons learned from existing programs, input from water quality trading practitioners and experts, and broad stakeholder comments and feedback. The anticipated release date of this report is summer 2014, subject to funding.

Ultimately, the National Network for Consistency and Integrity in Water Quality Trading will improve stakeholder and program outcomes by coordinating dialogue and supporting consensus around the solutions to common challenges.

For more information, please contact:

Todd Gartner, World Resources Institute
tgartner@wri.org (410) 790-4070

Bobby Cochran, Willamette Partnership
cochran@willamettepartnership.org (503) 946-8350